



DEPARTMENT OF HEALTH & HUMAN SERVICES

Program Support Center
Financial Management Service
Division of Cost Allocation

26 Federal Plaza-Room 41-122
New York, New York 10278
PHONE: (212)-264-2069
FAX: (212)-264-5478

November 9, 2007

Mr. Martin Benison
Comptroller
The Commonwealth of Massachusetts
Office of the Comptroller
One Ashburton Place, Room 901
Boston, MA 02108

Dear Mr. Benison:

By letter dated August 7, 2007, your office transmitted an amendment to the previous Fringe Benefit agreement dated August 9, 2007 which covers the fiscal year ending June 30, 2008 to include funding for the amortization of unfunded OPEB liabilities. The Group Insurance Commission portion of the Fringe Benefit rates was amended to reflect these changes. No other changes were made to the previous negotiated agreement.

Based on our review of your amendment, fixed rates of 38.32% (Group Insurance – 29.89%, Retirement – 8.4%, Terminal Leave – .03%) applicable to all regular employees except “uniformed” employees (justices, police, corrections, and parole officers), and 44.05% (Group Insurance – 29.59%, Retirement – 13.53%, Terminal Leave – .93%) applicable to uniformed employees are approved covering the period July 1, 2007 through June 30, 2008. An additional rate of 1.33% (Unemployment Insurance – .25%, Universal Health Insurance – .03%, Medicare Tax – 1.05%) is approved on a fixed basis for all regular, uniformed and contractual employees.

This approval is based on information provided by the State and is void if the information is later found to be materially incomplete or inaccurate. The same conditions and requirements cited in our letter dated August 9, 2007 still apply. Your fringe benefit rate proposal for the fiscal year ending June 30, 2009, based on your actual costs for the fiscal year ended June 30, 2007, must be submitted by December 31, 2007.


Mr. Martin Benison

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November 9, 2007


In addition, please acknowledge your concurrence with the comments and conditions cited by signing this letter in the space provided below and FAX (212-264-5478) it back to this office. If you have any questions, please contact my office at (212) 264-4300.

Sincerely,


Robert I. Aaronson
Director, Division of
Cost Allocation

Enclosures

Concurrence:


Martin Benison
Name

Comptroller
Title

November 13, 2007
Date